

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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X BROOKLYN OFFICE

GOVERNMENT EMPLOYEES INSURANCE CO.,
GEICO INDEMNITY CO., GEICO GENERAL
INSURANCE COMPANY, and GEICO CASUALTY CO.,

11-CV-4261 (ARR) (RER)

NOT FOR ELECTRONIC
OR PRINT PUBLICATION

Plaintiffs,

ORDER

-against-

IAV MEDICAL SUPPLY, INC., VADIM IZRAILOV,
SERGEY AKOPYAN, NEW CAPITAL SUPPLY, INC.,
ILYA TAMAYEFF, POWER SUPPLY, INC., and
RUBEN LEVY,

the "Retail Defendants,"

-and-

VZ GROUP, INC., VADIM ZALOGIN, FRAZIER
TRADING COMPANY, INC., VLADISLAV
AGUVAYEV, GLOBAL BEST DEAL, INC., SERGEY
MEZKULA, MIKOS TRADING, INC., JOHN DOE "1",
(Identity presently unknown, but intended to be the owner
of MIKOS Trading, Inc.) MIKS TRADING, INC., JOHN
DOE "2", (Identity presently unknown, but intended to be
the owner of MIKS Trading, Inc.) NEW STEP SERVICES,
INC., JOHN DOE "3", (Identity presently unknown, but
intended to be the owner of New Step Services, Inc.),

the "Wholesale Defendants,"

Defendants.

X

ROSS, United States District Judge:

The court has received the Report and Recommendation on the instant case dated
February 8, 2013, from the Honorable Ramon E. Reyes, Jr., United States Magistrate Judge. No
objections have been filed. Accordingly, the court has reviewed the Report and

Recommendation for clear error on the face of the record. See Advisory Comm. Notes to Fed. R. Civ. P. 72(b); accord Brissett v. Manhattan & Bronx Surface Transit Operating Auth., No. 09-CV-1930682 (CBA) (LB), 2011 WL 1930682, at *1 (E.D.N.Y. May 19, 2011). Having reviewed the record, I find no clear error. I hereby adopt the Report and Recommendation, in its entirety, as the opinion of the Court pursuant to 28 U.S.C. § 636(b)(1).

I therefore grant Plaintiffs' motions for default judgment. The Clerk of Court shall enter a judgment that Wholesale Defendants VZ Group, Inc.; Vadim Zalogin; Frazier Trading Company, Inc.; Vladislav Aguvayev; Global Best Deal, Inc.; Sergey Mezkula; MIKOS Trading, Inc.; MIKS Trading, Inc.; and New Step Services, Inc. are liable for aiding and abetting fraud, and that Retail Defendants Power Supply, Inc. and Ruben Levy are liable for common law fraud and unjust enrichment.

With regards to damages, Plaintiffs shall be awarded:

(1) \$400,112.59 in compensatory damages and \$113,176.60 in prejudgment interest, with \$98.66 per diem from February 9, 2012, until the date of entry of judgment, against defendants VZ Group, Inc.; Vadim Zalogin, Frazier Trading Company, Inc.; Vladislav Aguvayev; Global Best Deal, Inc.; Sergey Mezkula, MIKOS Trading, Inc.; MIKS Trading, Inc.; and New Step Services, Inc., jointly and severally, for their participation in the IAV Scheme;

(2) \$56,194.55 in compensatory damages and \$10,005.20 in prejudgment interest, with \$13.86 per diem from February 9, 2012, until the date of entry of judgment, against defendants VZ Group, Inc. and Vadim Zalogin, jointly and severally, for their participation in the New Capital Scheme;

(3) \$37,492.23 in compensatory damages and \$6,879.70 in prejudgment interest, with \$9.24 per diem from February 9, 2012, until the date of entry of judgment, against defendants Power Supply, Inc.; Ruben Levy; VZ Group, Inc.; and Vadim Zalogin, jointly and severally, for their participation in the Power Supply Scheme.

In addition, the Clerk of Court shall enter a declaratory judgment that Plaintiffs are neither obligated to pay nor are liable for the outstanding claims submitted by Retail Defendant Power Supply, Inc.

SO ORDERED.

/s/(ARR)

Allyne R. Ross
United States District Judge

Dated: February 27, 2013
Brooklyn, New York